

Penalty for failure to pay prevailing wage under public contracts  
(HB 430 by Stiles/Brooks)

DIGEST: HB 430 would have raised the penalty for paying less than the prevailing wage in public contracts from \$10 to \$60 per worker, per day and would have earmarked any penalties paid to offset administrative costs for collecting penalties and other amounts due.

The bill would have allowed a public entity contracting for services to retain, after 14 days notice and opportunity for a hearing, the difference in wages owed to each worker under the contract from the amount paid to the penalized contractor. The public entity would have been required to reimburse underpaid workers with the amounts retained.

GOVERNOR'S  
REASON  
FOR VETO:

The bill improperly imposes burdensome and costly administrative procedures without an equivalent public benefit.

RESPONSE:

Rep. Mark Stiles, the author of HB 430, said the governor made an "uninformed decision." Rep. Stiles said he had no idea why the governor vetoed the bill. "The bill would have done a great deal to protect local jobs, and everyone had signed off on it," he said.

NOTES:

The House Research Organization analysis of HB 430 appeared in Part Two of the May 20, 1989 Daily Floor Report.